

CITY OF MORGAN HILL  
JOINT REGULAR CITY COUNCIL AND  
SPECIAL REDEVELOPMENT AGENCY MEETING  
MINUTES - MARCH 21, 2001

**CALL TO ORDER**

Mayor/Chairman Kennedy called the special meeting to order at 7:02 p.m.

**ROLL CALL ATTENDANCE**

Present: Council/Agency Members Carr, Sellers, Tate and Mayor/Chairman Kennedy.  
Absent: Council/Agency Member Chang.

**DECLARATION OF POSTING OF AGENDA**

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

**SILENT INVOCATION**

**PLEDGE OF ALLEGIANCE**

At the invitation of Mayor/Chairman Kennedy, Roger Knopf led the Pledge of Allegiance.

**INTRODUCTIONS**

Director of Community Development Bischoff introduced Larry Ford, Chief Building Official; Chief of Police Schwab introduced Kevin Beilmann and Dawn Almario, Community Service Officers; and Melissa Stevensen Dile introduced Joni Evans, Administrative Analyst, all recently hired City of Morgan employees. The introduction of Marla Anderson, Accounting Assistant I, was deferred to a future meeting date.

**PROCLAMATIONS**

Mayor Kennedy presented the following proclamations to: Ayako Tamura proclaiming Sunday, April 1, 2001 as *Haru Matsuri Festival Day* and to Jon Kitahara proclaiming April 1, 2001 as *Northern California Taiko Exposition Day*.

**PRESENTATION**

Gloria Pariseau presented the Morgan Hill Historical Society's annual update on the progress being made at the Morgan Hill House site and the ongoing efforts to enhance the city's most valued historic land mark, including future plans on development of the property. She indicated that the Morgan Hill House facility is now operating in the black. It is proposed to relocate the Acton house/farmhouse to the Morgan Hill House site. The Historical Society will be seeking City assistance with relocation efforts. Also, proposed is the development of parking and lighting, and to address access and drainage issues. The Historical Society is working with Bill McClintock, MH Engineering, to develop a site plan that can be evaluated. She

informed the City Council that the oak trees previously located on the site became diseased and were dropping branches onto the neighbors. Therefore, the trees were removed following an evaluation by a tree arborist, noting that the oak stumps remain on site. The Historical Society has been working with the adjacent property owner, located to the south, to address joint access issues and to facilitate access to the rear of the Morgan Hill House site. She indicated that she would be meeting with the property owner to review alterations that he has made to his plans, noting that the property owner has become very cooperative. She indicated that a timeline has not been identified as the Historical Society recently received a specific site plan. She stated that the Historical Society is ready to receive the structures once the drainage issues on site have been addressed. Once the building is relocated and placed on foundation, the Historical Society would immediately move toward developing parking and driveways to facilitate events being held. She informed the City Council that the Historical Society has recently been bequeath a substantial sum of "seed money" for the construction of a reception/multipurpose room. It was her belief that this would occur within the next five years.

Mayor Kennedy felt that the city would need a site plan, timeline, and a list of what the Historical Society is seeking from the city (specifics).

City Manager Tewes informed the City Council that the Historical Society has been working with city staff in the preparation of moving the building, once ready.

Ms. Pariseau requested City Council permission to into serious discussions with Business and Housing Assistance and planning staff members to discuss the specifics of what is ultimately to be accomplished.

### **CITY COUNCIL REPORT**

City Council Member Tate reported on the following: 1) On February 26, he, Julie Spier and Julie Farnsworth, assistant library to the county, traveled to Sacramento to attend a meeting of the Council put together to oversee the Proposition 14 implementation. He indicated that the three of them have been active in getting the City's interest known to the Council so that when they formulate the guidelines for submission of Proposition 14 applications that the City would stand a good chance in receiving funding. 2) Library Building Commission is meeting once a month. On March 5, the Commission held a session that was attended by the consultant assisting the City in updating the building plans, including the architects and the entire building committee consisting of the Library Commission, representatives from city staff, County library staff, School District staff, School Board Member Susan Choi and himself, including members from the community. 3) In the last week of February, a Fire and Emergency Master Medical Service Plan Update Committee meeting was held with progress being made. The consultants are at the end of their informational/statistical gathering phase and are providing alternatives for the committee to consider. He indicated that the Committee is interested in innovative programs that do not involve adding more staff or fire stations. The innovative programs being considered are getting the population and citizens involved and doing things a little differently. 4) The Chamber of Commerce's Economic Development Committee has been planning a "Broker Forum" to take place on April 19, 2001 to be held at Maurizio's from 9:30 a.m. to 1:00 p.m. This is a forum to bring brokers with broker properties within Morgan Hill and educate them on why Morgan Hill is the best place for businesses to come and do business. This is an event that is being conducted as part of the City's partnership with the Chamber of Commerce. 5) February 28 and March 1 were the hearings for the Calpine-Metcalf energy center for air quality. He indicated that Morgan Hill took

a leadership role on the hearings as it found the witnesses that brought forward evidence of the meteorological effects on air quality had not been evaluated nor raised before. Through the volunteerism of three doctors of meteorology from the Naval Post Graduate School, the City was able to show a picture of south Santa Clara Valley that has hills on both sides and an inversion layer on top with winds holding in and recirculating a lot of the particulates, causing air quality problems. He thanked City Attorney Leichter for lending her legal expertise.

### **CITY MANAGER'S REPORT**

City Manager Tewes indicated that he did not have a City Manager's report to present this evening.

### **CITY ATTORNEY'S REPORT**

City Attorney Leichter announced that there will be a public comment session before the California Energy Commission Panel on the Calpine matter on Friday, March 23, 6:00 p.m. at the County offices located on Berger Drive. He indicated that the Commission will be accepting public comments on this issue.

### **PUBLIC COMMENTS**

Mayor/Chairman Kennedy opened the floor to comments for items not appearing on the agenda.

Natasha Wist thanked the City Council and the community for its ecological/conservation efforts. She requested that the City Council consider endorsing a reduced risk pesticide ordinance urging Santa Clara County to use alternatives to dangerous pesticides, if at all possible. She indicated that the ordinance has been adopted by San Francisco and Marin Counties. Californians for Pesticide Reform hope that the ordinance will pass in Santa Clara County. She requested that the City of Morgan Hill consider supporting the endorsement to add another voice when it goes before Santa Clara County. She indicated that she would notify the City when Santa Clara County is to consider the ordinance.

Mayor Kennedy requested that this issue be agendaized for the City Council's April 4, 2001 meeting. If this meeting date is not soon enough, he requested that Ms. Wist so notify staff.

No further comments were offered.

## ***City Council Action***

### **CONSENT CALENDAR:**

Mayor Kennedy requested that items 2, 3, 11, 13, and 14; Council Member Tate requested that items 10, 11 and 16; and Council Member Carr requested that item 15 be pulled from the Consent Calendar.

**Action:**        *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **approved** Consent Calendar Items 1, 4-9 and 12 as follows:*

1. **MARCH 2001 FINANCE AND INVESTMENT REPORT**

***Action:** Accepted and filed report.*

4. **PURCHASE OF A DIGITAL VOICE RECORDER FOR THE POLICE DEPARTMENT**

***Actions:** 1) Authorized the City Manager to Purchase a Replacement Digital Voice Recorder to Record Emergency Telephone Calls and Radio Communications, 2) Declared the Existing Dictaphone Recorder as Surplus, and 3) Authorized Disposal of Surplus Recorder Through Auction.*

5. **SUBDIVISION IMPROVEMENT AGREEMENT WITH FERNANDO ROCHA**

***Actions:** 1) Approved the Subdivision Improvement Agreement, and 2) Authorized the City Manager to Sign the Agreement on behalf of the City with Fernando Rocha.*

6. **APPROPRIATION OF FUNDS AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT FOR DESIGN OF THE MONTEREY ROAD/UPRR UNDERCROSSING & BIKEWAY IMPROVEMENT AND THE MAIN AVENUE/UPRR SAFETY IMPROVEMENT PROJECTS**

***Actions:** 1) Appropriated \$90,000 from the Unappropriated Street Fund for the Design of the Monterey Road/UPRR Undercrossing & Bikeway Improvement Project and the Design of the Main Avenue/UPRR Safety Improvement Project. The Total Consultant Services Request Is for \$120,000, However, \$30,000 Has Already Been Allocated in the 2000/2001 CIP; and 2) Authorized the City Manager to Execute a Professional Services Agreement with Rajappan & Meyer in the Amount of \$120,000 for the Design of the Monterey Road/UPRR Undercrossing & Bikeway Improvement Project and the Main Avenue/UPRR Safety Improvement Project.*

7. **PURCHASE OF PUBLIC WORKS EQUIPMENT**

***Actions:** 1) Authorized Purchase of a Clark CMP-30 Forklift Truck for a Total Cost of \$23,070.96 (CMAS 4-96-39-0001A), 2) Authorized Purchase of a John Deere 6310 Cab Tractor for a Total Cost of \$45,349.47 (CMAS 4-96-38-0002A), 3) Authorized Purchase of a Tiger Boom Flail, Rear Flail and Side Flail Mower for a Total Cost of \$46,775.64 (CMAS 4-99-37-0002A), and 4) Declared W64318 (Forklift) and D87321 (Loader) Surplus Equipment.*

8. **FINAL MAP ACCEPTANCE FOR MADRONE CROSSING (TRACT 9280)**

***Action:** Approved and Authorized the Recordation of the Final Map.*

9. **IMPROVEMENT AGREEMENT WITH MIKE AND JONNA DUNNE - 761 DAKOTA DRIVE**

***Actions:** Approved the Improvement Agreement and Authorized the City Manager to Sign the Agreement on Behalf of the City with Mike and Jonna Dunne.*

12. **EXECUTION OF CONTRACT FOR AUDIT AND ACTUARIAL SERVICES**

***Action:** Authorized City Manager to Execute Contract with ARM Tech, Incorporated, for Preparation of Risk Management Audit and Actuarial Analysis.*

2. **YOUTH SCHOLARSHIP PROGRAM**

Recreation Manager Spier presented the staff report on the youth scholarship program. She requested City Council approval of the form and program as presented.

Council Member Carr noted that in the guidelines, it requires verification in the form of a city utility bill. He asked if there were alternatives to this form for individuals who are renting or who do not receive a city utility bill?

Ms. Spier responded that any billing that shows that the youth is a resident of Morgan Hill will be accepted as residency verification.

**Actions:**      *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Chang absent, **Approved** the Form and Program as Presented.*

### **3.      YOUTH ADVISORY COMMITTEE LOGO AND TEEN ZONE LOGO**

Recreation Manager Spier presented the staff report and indicated that a free drop in program will be held on Mondays and Wednesdays from 3-5 p.m. She informed the City Council that the Youth Advisory Committee and the Parks and Recreation Commission have approved the Youth Advisory Committee and Teen Zone Logos.

**Action:**      *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **Approved** the Recommended Logos as Presented by the Youth Advisory Committee and Supported by the Parks and Recreation Commission.*

### **10.    COUNCIL RESOLUTIONSUPPORTING GRANT FUNDING FOR THE CONSTRUCTION OF A PORTION OF THE WEST LITTLE LLAGAS CREEK TRAIL FROM WEST EDMUNDSON 500 FEET SOUTHERLY - Resolution No. 5461**

Council Member Tate stepped down from agenda item 10 due to a conflict of interest.

**Actions:**      *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Carr, the City Council, on a 3-0-1 vote with Council Member Tate abstaining and Council Member Chang absent, **Approved** Resolution No. 5461 Supporting Grant Funding for the Construction of a Portion of the West Little Llagas Creek Trail from West Edmundson Boulevard 500 Feet Southerly Along the Westerly Bank of West Little Llagas Creek*

### **11.    APPLICATION ZA-00-09: ST. LOUISE - SAN JOSE CHRISTIAN COLLEGE**

City Attorney Leichter noted that the draft resolution distributed to the City Council has been replaced by a subsequent draft resolution, noting that the only change is found on page 2, that reads: "Now, therefore, the City Council of the Morgan Hill, based upon all documents, statements and facts known to the City . . ." She indicated that copies of the draft resolution have been made available to the public and that the resolution was e-mailed to the applicant this afternoon.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Council Member Tate stated he would oppose a motion to adopt a resolution of denial for the same reasons he identified at a previous meeting. He drew the Council's attention to Section 4 and recommended that the wording be changed as he did not see how you could list student characteristics and behavior as a reason for denying the application.

City Attorney Leichter responded that the evidence in the record contained testimony not only from the Christian College students as to their general demeanor and good nature but also from representatives of the homeowners associations, including several police officers in other jurisdictions who testified as to general student behavior and characteristics. Should the Council find that the evidence about the Christian College's particular student characteristics outweighs that of the homeowners, staff can change the language.

Mayor Pro Tempore Sellers indicated that he did not interpret the language relating to student characteristics to refer to the Christian College students but rather any general group of college students. He stated that he could see how the language could be interpreted as more specific and/or being, in some way, condemning to a specific group of students as they are referenced as part of the denial. He stated that he would not object to removing reference to the student's characteristics.

City Attorney Leichter indicated that staff could clarify the language to state that "generally accepted notions of student characteristics and behavior" as opposed to particular individuals.

Mayor Kennedy agreed with Mayor Pro Tempore Sellers that if it is not necessary to include the statement in the resolution it should be eliminated as the perception is negative toward the Christian College students.

City Attorney Leichter stated that she would prefer to retain the phrase. If the City Council would like to make the phrase more generalized, the language should be modified to state that the City Council is not making the finding based on these particular students.

Mayor Pro Tempore Sellers stated that he would support clarifying the phrase such that it is general and not specific.

Council Member Carr said that he heard residents stating that when they bought their homes in this area, they did not expect to have 400 students next door, regardless of their characteristics or behavior. He recommended that a general finding be stated with regards to the college use having an impact to the neighborhood with the number of students proposed and that the resolution not address the characteristics or behavior of students.

City Attorney Leichter stated that the phrase could be modified to state "... the impact of traffic, parking patterns and characteristics of an educational institution for a college ..." This would encompass certain student behavior as well as the concept of having a college as an incompatible use.

Mayor Pro Tempore Sellers recommended that the phrase include "... an institution of higher education."

Mayor Kennedy supported the recommended modification.

**Action:** *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Carr, the City Council, on a 3-1 vote with Council Member Tate voting no and Council Member Chang absent, **Adopted** Resolution No. 5462 Denying the Zoning Amendment Application, with the following modifications: amend page 2, paragraph 6 to read: "Now, therefore, the City Council of the City of Morgan Hill, **based upon all documents, statements and facts known to the City**, does hereby resolve . . . " and Section 4, line 5, to read: "...impacts of traffic and parking patterns, ~~student~~ characteristics and behavior **of students in an institution of higher education**, and Applicant's future expansion plans . . . "*

### **13. ENERGY CONSERVATION ACTIVITIES**

Mayor Kennedy stated that last Friday he attended a Mayor's Energy Summit in San Jose cosponsored by Mayor Ron Gonzalez, City of San Jose; Supervisor Jim Bell, Chairman of the Board of Supervisors; and Jim Woody, president of the Silicon Manufacturing Group. He noted that the Cities of Morgan Hill and San Jose have taken a position in opposition to the Calpine power plant at the Metcalf site based on the air pollution problems that this particular location would create. It is felt that there are other alternatives and thus one of the primary purposes of the energy summit. He indicated that several mayors from different cities suggested building power plants in their cities such as the City of Gilroy (small power plant near the existing co generational facility at the Gilroy Food site or the wastewater facility treatment plant); Mt. View (at the Moffett Field site), Milpitas (at one of their sites); and San Jose (several smaller sites). He indicated that the energy crisis is very serious and that it is a real problem. He pointed out that everyone shares in the responsibility to help conserve energy and reduce the demand. He indicated that he would be sending a letter to major businesses outlining suggestions on things that they can do and request their help as well. He indicated that the city has free energy savings booklets available at city hall, the library, or Booksmart. He further stated that he would be inviting businesses to attend an upcoming facilities managers' information sharing session on energy efficiency and generation.

Assistant to the City Manager Eulo stated that Governor Davis has adopted an executive order to require businesses to reduce the use of unnecessary lighting during non business hours. He further indicated that the City has undertaken steps to conserve energy.

Council Member Carr said that he was impressed that staff recognized that the city should be participating in the conservation of energy and proceeded with efforts immediately. He suggested that in the city's educational efforts to the community address water conservation as it is tied jointly with energy conservation. He felt that this summer, the State will be addressing water conservation as well as energy conservation. If 90% is the amount of energy used by the city due to street lighting and water pumping, he felt that the city should be tying educational efforts together.

Mayor Kennedy stated that one of the items not discussed was the fact that 90% of the city's internal power bill goes toward water, sewer and lighting, noting that a lot of this goes toward pumping city water. He felt that there were ways that citizens could conserve energy, particular during peak periods. He indicated that staff is currently trying to manually operate the water pumps during off peak times. He urged the community to support the Governor's and City's efforts to conserve energy and water as it takes pumps to pump water to residents and various locations in Morgan Hill. He encouraged citizens to request an energy

audit for their homes.

Joe Mueller concurred that energy conservation is important. He indicated that one thing that came up with the unexpected rolling black outs was the impact to industries. It was his belief that Carl Guardino, Silicon Manufacturing Group, is trying to work with the Energy Commission to receive advance notification as the industrial process can be impacted by emergency shut off of electricity. He encouraged the City to support Mr. Guardino's efforts to receive greater notification so that the County does not lose productivity and have to spend more energy to rebuild a product that is destroyed by a sudden shut off that cannot be helped.

Mayor Kennedy stated that several council members will be going to Sacramento along with a Silicon Valley Manufacturing Group legislative delegation to lobby for areas of interest. He felt that Mr. Mueller's suggestion can be stressed at Sacramento (longer/better notification, particularly to businesses and industry that are heavily depended upon electrical power).

**Action:**        *By consensus, the City Council **Received** and **Filed** Report.*

#### **14.    TRAFFIC CONGESTION RELIEF REPORT**

Mayor Kennedy indicated that the widening of Highway 101 ground breaking will take place on July 2001, barring any unforeseen problems. It is his hope that it will be completed in two years.

Assistant to the City Manager Eulo presented the staff report and indicated that an interim signal has been installed at Main and Condit; Public Works Department has finished the evaluation and adjustments of all city traffic lights; Butterfield Boulevard connection is complete between Cochrane and Dunne; and barriers have been installed at the San Jose Christian College site to prevent the use of the parking lot as a shortcut. In addition, there are other projects that will be completed within the next months: extending the south bound Monterey turn lanes (left onto Cochrane) and re striping Monterey at the Madrone underpass. He stated that the opening of Butterfield has had positive impacts on Cochrane traffic. However, there have been reports with problems on Butterfield and Dunne and on Dunne in the area near Safeway in the afternoons. He indicated that public works department is working on adjusting lights and continue to monitor this situation. He informed the City Council that the School District has agreed to change the school start times in the morning commute for two schools in the fall semester.

Council Member Carr stated that his neighbors in the Diana/Butterfield area are concerned about this intersection and the difficulty of turning onto Butterfield from Diana Avenue. He requested that staff address this intersection and what is planned for the future at this intersection.

Director of Public Works Ashcraft stated that when Butterfield was opened, it was known that there would be some redirection of traffic, including increased traffic on Butterfield. He agreed that the Diana/Butterfield intersection has more traffic, especially in the a.m./p.m. peak hours than it used to before Butterfield was opened to Cochrane. He indicated that staff is studying this area and looking for alternatives to a traffic signal. Staff will report to the City Council within a month and that if it is found that a traffic signal warranted, it would be included in next year's budget recommendation.

Mayor Pro Tempore Sellers wanted to make sure that Butterfield is not unduly slowed down but that he



understood the concern. He stated that he received an e-mail a year ago from a student who was hit by a car while riding his bicycle at the Main and Condit intersection. He inquired as to the timing of the newly installed traffic signal at this intersection, particular at the hours that the students are heading toward school?

Director of Public Works Ashcraft indicated that due to the fact that the traffic signal is three quarters in the County's jurisdiction, the County is in control of the controller. City staff is working with the County to do what it can to get the traffic signal into a full activated mode as soon as possible.

Mayor Kennedy directed staff to request an activation date from the County.

**Action:**        *By consensus, the City Council Accepted and Filed Report.*

#### **15. RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) 2001 QUARTERLY REPORT NO. 1**

Council Member Carr noted that the February 27, 2001 Planning Commission minutes indicate that two Planning Commissioners addressed an interest in having up to date census information to accompany the Quarterly Report. The minutes also state that the Commissioners feel that it would be a good idea to discuss this item sometime in April. He asked if there was an assumption that this report will be presented to the City Council in April with someone missing an opportunity to comment? He inquired whether the census information is something that the City Council should be looking at?

Director of Community Development Bischoff did not recommend that the City wait for the census date as city data may not be received until sometime in May. He indicated that the 1990 census was lower than the State Department of Finance estimates for the City. Once the State Department of Finance sees the census numbers, they lower their numbers accordingly. He stated that it is the State Department of Finance numbers that the City uses to determine how many Measure P allocations are to be made available. If there is a repeat with the 2000 census of what happened with the 1990 census, there may be additional allocations to award. However, this information will not be known until May. He indicated that by the second Quarterly Report, the numbers would be known.

Mayor Kennedy asked at what point the City Council would have the opportunity to discuss the criteria of Measure P on the percentages of various housing types and locations?

Mr. Bischoff informed the City Council that recommended changes to the Measure P criteria would be brought before the City Council sometime in June 2001. At that time, it would be known how many allocations would be available to award. If there is specific direction that the City Council would like to offer to staff or the Task Force to consider, it would be helpful to know these.

Mayor Kennedy stated that at the housing summit, there were comments about changing the criteria to provide additional focus on more housing/higher density in the downtown. He felt that this is an important issue that needs to be addressed.

Council Member Carr felt that the City Council should have an opportunity to meet with the Task Force to talk about some of its ideas with staff addressing the process and possible changes to the criteria. He

recommended that City Council discussion be held before the Task Force concludes its work so that they can be included in their recommendations.

Director of Community Development Bischoff indicated that this could be agendaized for a future meeting. Staff would identify the issues that the Planning Commission and Measure P Task Force are reviewing. The City Council could add items or provide additional direction at that time.

Mayor Kennedy stated that another option is to have several Council Members participate with the Task Force. He said that he has a sense that the Council would like to be involved in the criteria before it is too late.

Council Member Tate supported a workshop at 6:00 p.m. with the Task Force prior to a City Council meeting to allow informal discussion about issues of concerns.

City Manager Tewes stated that it would be appropriate to provide input early. He reminded the City Council that under Measure P, it is the City Council's responsibility to set the criteria for the next Measure P competition. The Council would need to provide the public with the opportunity to comment on the recommendations coming from the Task Force. He was sure that the Task Force would appreciate any guidance that the City Council could offer.

**Action:**        *By Consensus, the City Council Accepted the Report by Minute Action.*

#### **16.     SPECIAL CITY COUNCIL MEETING MINUTES OF MARCH 2, 2001**

Council Member Tate indicated that he would be abstaining from the approval of the March 2, 2001 meeting minutes, noting that the minutes need to be amended to reflect that he was absent from said meeting.

**Action:**        *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Carr, the City Council, on a 3-0-1 vote with Council Member Tate abstaining and Council Member Chang absent, Approved the minutes, as amended.*

#### **PUBLIC HEARINGS:**

#### **17.     COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ALLOCATION (FY2001-2002) - Resolution No. 5460**

Director of Business Assistance and Housing Services Toy presented the staff report.

Council Member Carr pointed out that Shelter and Services requested \$10,000, noting that it was the only project where staff was recommending more than what was being requested. He also noted that the Long Term Care Ombudsman is the only agency that is not being recommended for full funding, noting that the difference in funding is the same as the increase of funding being recommended for Shelter Services. If the City was to give Shelter Services what is being requested and give those dollars to Catholic Charities, the City would be funding everyone at the level being requested.

Director of Business Assistance and Housing Services Toy stated that last year the City provided approximately \$15,000 in Agency set aside funds to Shelter and Services. Staff has reevaluated the use of funding and stated that it is staff's belief that CDBG funds would be more appropriate funding. Staff recommends that Shelter and Services be provided with the same level of funding that was offered last year in the amount of \$11,767. He indicated that staff received 10 proposals and that staff took the approach of either keeping the same funding or increasing the funding based on what was received last year. Even though \$10,000 was requested, staff tried to provide them more funding to make the difference between the \$10,000 and \$15,000. He indicated that the Council can allocate the funds it deems appropriate. It was staff's evaluation that it would be more appropriate to use CDBG funds for Shelter and Services as the use of RDA funds would not be appropriate.

Council Member Carr stated that he was concerned that the City was not going to be able to fund Catholic Charities for the amount being requested as this is an important program. The \$1,700 that the City is not able to give to them is being given to Shelter and Services, noting that they only requested \$10,000.

Mayor Kennedy asked if the use of Redevelopment Agency set aside funds is a question of law or policy and whether the City has discretion with the use of said funds?

City Manager Tewes responded that the City has discretion on how set aside funds can be spent. However, redevelopment law establishes the bounds of the discretion. He stated that the law provides that the Council can spend the 20% set aside money to improve or expand the supply of housing available to persons of low and moderate income within the city limits.

Mr. Toy clarified that the Catholic Charities facility is located in San Martin, thus the issue.

Mayor Pro Tempore Sellers stated that the public works street improvement project on Central and Monterey is within 500 feet of property that he owns and requested that this item be separated out so that he can step down from this particular item. He recalled that at a Council meeting held at Las Casas de San Pedro the Council heard from tenants the need for Project Sentinel services in the community. Project Sentinel also identified the shortfalls that they were facing. He stated that he would like further consideration be given to Project Sentinel following the public hearing portion of the meeting.

Mayor Kennedy opened the public hearing.

Lori Escobar, MACSA El Toro Youth Center, encouraged City Council support of the full amount being requested. She indicated that the Youth Center expansion is almost completed. She informed the City Council that Microsoft will be coming to the center to fund a state of the art computer lab. She stated that the expansion has opened a lot of funding opportunities for the Youth Center with emphasis being targeted on teenagers.

Lindy McCown, Director of Services at Second Services Food Bank, thanked the City Council for its ongoing support. She indicated that this program provides supplemental groceries for very low income individuals in the community.

Donna DiMinico, Director of Long Term Care Ombudsman Program at Catholic Charities, stated that the

agency provides advocacy and complaint investigation resolutions for residents in the two nursing care and three assisted living care facilities in Morgan Hill. The agency uses volunteers to make regular visits to the facilities, be a presence and be available to frail and vulnerable residents at the five facilities. She indicated that funding would be specific to Morgan Hill, noting that eleven other cities in the county provide funding but that no city gives the agency the percentage of funding that equals the percentage of their population.

Rosemary Statt, representing Depot Commons, informed the City Council that Depot Commons “works” as individuals are now contributing to the City's tax base because of what the city has given them.

Lisa DeSilva, Director of Community and Research Development for Community Solutions, spoke on behalf of La Isla Pacifica, a shelter for battered women and their children. She informed the City Council that the agency is facing a sunset in the lease of their Morgan Hill office. La Isla Pacifica is working toward relocating a facility in Morgan Hill, knowing that it will be faced with a significant increase in rent. She indicated that any increase in funding that can go into programs frees up unrestrictive funds to pay rent increases.

George Nale, representing the Live Oak Adult Day Care Services, requested that the City Council honor the requested funding.

Don Alout, Emergency Housing Consortium (EHC), indicated that EHC has been a partner with the City of Morgan Hill for some time and that they are excited about continuing with the partnership. He clarified that the requested funding level is \$15,000 and not the \$10,000 identified by staff. The proposal would help serve 80 homeless residents and provide 7,500 nights of shelter and transitional housing. He stated EHC appreciates past City Council support and continued partnership into the next fiscal year.

Bob Kelley, South County Neighborhood Disaster Preparedness Project, stated that unlike other agencies, this program is 100% staffed by volunteers. There are no paid fundraisers conducted nor paid professional administrators. The requested \$2,600 is for a program instituted last year, providing emergency preparedness training to mothers and various individuals who speak limited English or just Spanish in the community. He felt that this is a worthwhile program and that he would appreciate City Council funding.

Carol Alcantar, Project Sentinel, thanked the City Council for its support of its services. Project Sentinel provides fair housing under a County contract. She addressed the tenant-landlord counseling and dispute resolution. Project Sentinel works closely with housing providers and residents to educate them of their rights and responsibilities. She informed the City Council that Las Casas de San Pedro has been recently settled on behalf of seven Morgan Hill residents in the amount of \$280,000. One of Project Sentinel's main goals is to educate the community so that an incident such as Las Casas de San Pedro can be prevented. She thanked the City Council for its support.

No further comments being offered, the public hearing was closed.

Council Member Tate felt that staff did the best that it could with the allocations available and stated that he would support staff's recommendation.

Mayor Pro Tempore Sellers concurred with staff's recommendation. However, he felt that the City has a

little more discretion with the 20% set aside funds. He recommended that the City Council be consistent in trying to increase most of the categories and/or maintain the categories this year. He expressed concern with the housing shortage that is being seen and continues to be acute and at a premium. He recommended that the funding for Project Sentinel be increased by \$3,000 for a total of \$20,000.

**Action:** *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Tate, the City Council, on a 4-0 vote with Council Member Chang absent, **adopted** Resolution No. 5460 for the Allocation of Fiscal Year 2001-2002 Federal CDBG Funds, increasing Project Sentinel's allocation from \$17,000 to \$20,000 from the housing set aside funds.*

**Action:** *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **Authorized** the City Manager to Take All Steps Necessary for Implementation of the CDBG Program Including Execution of All Required Contracts.*

#### **OTHER BUSINESS:**

#### **18. FOX HOLLOW/MURPHY SPRINGS LANDSCAPE MAINTENANCE DISTRICT - PUBLIC MEETING PURSUANT TO BALLOT PROCEEDING**

Deputy Director of Public Works Struve presented the staff report. Mayor Kennedy opened the floor to public comment. No comments were offered.

City Manager Tewes informed the City Council that this is a public meeting required by Proposition 218 and that the City Council would be conducting a public hearing on April 25, 2000 to canvass the ballots.

**Action:** *The City Council **Took No Action** on this item.*

#### **19. MEDICAL SERVICES COMMITTEE REPORT**

Mayor Kennedy summarized actions that the Medical Committee (Committee) has undertaken. He indicated that the Committee consists of Task Force Chairman Bernie Mulligan, Mayor Pro Tempore Sellers and him. The Committee was charged with returning with a list of recommended nominees for the organizing board of the Morgan Hill Community Health Foundation. He indicated that the Committee received a lot of applications as well as input from Council Members. The Committee spent a lot of time talking to applicants and candidates. He indicated that there were a lot of individuals who would be very good on the Foundation Board as well as assisting in the medical services issues. The Committee decided to have three different related groups: 1) the organizing board consisting of 7 members, 1 alternate, and two council members with an alternate; 2) an advisory council consisting of certain individuals who have various levels of expertise and can bring a wealth of knowledge/information and status of prestige and other attributes to the foundation organizing board; and 3) a list of members in the community with strong backgrounds who are willing and anxious to help serve on the Morgan Hill Community Health Foundation. He stated that he would like to see as many individuals who want to help in this process have the opportunity to do so, thus, the recommendation for the three different levels of Foundation Board and committees.

Mayor Pro Tempore Sellers stated that the Blue Ribbon Task Force was largely responsible for helping to get the city to this point. He indicated that this is an organizing committee, an interim organization that is short termed and with the important task of getting the organization underway. The Committee looked at individuals who brought a very specific and unique set of tools that can be utilized to maximize the opportunities for success in the organization. The Committee developed a set of categories of general areas of expertise that would be needed in terms of getting to the next step. The Committee started to look at individuals who were recommended to the City Council, self recommendation or who were known to be available/potentially useful to this effort. The Committee spoke to everyone not previously spoken with. The Committee was specific about two things: 1) the scope of work, what it would entail, and the skills required; and 2) time commitment. Individuals selected are well aware of what it will take to get this effort underway and have agreed to the commitment. He identified the list of the organizing board members as follows: Bill Brown, local attorney, CPA and former member of the City Council; Bob Ceglio, vice-president and area manager of the Well Fargo Bank and local resident; Glenda Garcia, Blue Ribbon Task Force (BRTF) Member and owner of Glenrock Builders; Bernie Mulligan, Chairman of the BRTF; Dr. Guadalupe Olivas, Director of Public Health and resident of Morgan Hill; Yvonne Richardson, General Manager of Abbott Labs; Dr. Jude Rousserre, Chief of Staff, St. Louise Regional Hospital; Joe Mueller, Planning Commissioner/BRTF member to serve as alternate; Mayor Kennedy and he to serve as ex officio, non voting members with Council Member Chang serving as alternate.

Mayor Kennedy addressed the individuals to serve on the advisory council and stated that the organizing board would be able to call upon these individuals to assist them in their effort. Many of these individuals may be potential future board members who were not available at the time the Committee spoke with them to serve on a full time capacity. They are: Mark Evans, president of Anritsu; Dr. Rajesh Prasad, local cardiologist who has worked with local doctors for many years; Curtis Wright, former Council Member and Mayor, president of his advertising and marketing firm; Dr. Ricardo Perez, local primary care physician and president of Santa Clara County Primary Care Physicians Group; Janet Redding, vice-president of University Advancement at San Jose State University who resides on the south side of the Morgan Hill sphere of influence; Dr. Howard Davis, president of the California Association of Emergency Physicians and resident of Morgan Hill; Rudy Gonzalves, attorney with South Bay Labor Council who worked on the Medical Services Task Force; and Dick Oliver, home builder with Dividend Homes. Potential members of subcommittees to the Morgan Hill Community Health Foundation consist of: Mark Grzan, Robert Bennich, Peter Burcat, Linda Ulla, Kit Greenberg, and Pat Stewart. The names of these individuals will be forwarded to the Foundation. He recommended that City staff assist in setting the initial meeting for the foundation, coordinating the initial kickoff meeting, finding a meeting location, getting out notices and checking the availability and time of members. He recommended that all individuals identified be invited to the initial kickoff meeting. He noted that the draft bylaws have been distributed.

Council Member Tate felt that it appears that the organizing board will be a hands on board. He noted that the Committee was looking at specific expertise in order to accomplish some things. He said that he agrees with the expertise with the exception of one category that he was looking for. He said that finance implies that individuals will know numbers and perform financial analysis. He was looking for an individual who has put a business together, has knowledge with business plans and has created/operated a business. He was looking for someone who could market the product, overlaying the finances, and not just someone with fundraising capabilities. He did not see an individual identified who could create a business. He felt that this expertise still needs emphasis.

Mayor Pro Tempore Sellers clarified that the Committee looked at business experience and organizational development skills. He felt that many of the individuals identified have this experience/expertise directly or indirectly. He felt that this is a specific charge with specific duties. The Committee is recommending expanding the effort to include people and not limiting the effort to exclude individuals nor is it being recommended that the focus be shifted away from the provision of healthcare. The Committee wanted to appoint individuals who would best achieve the specific criteria. Political consideration was not given nor was there any consideration other than the organizing board's charge. He stated that he was confident that the results of the organization will make it clear what is hoped to be achieved.

Mayor Kennedy indicated that he spoke with Lori Escobar early this evening and indicated that Ms. Escobar has agreed to serve on the advisory council. He recommended that her name be added to the advisory council list. Regarding Council Member Tate's concern with starting up with a business plan perspective, he indicated that one of the first actions that the board will take is the hiring of an executive director. He hopes that this would be a skill that the executive director would bring with him/her. He stated that City Manager Tewes has received resumes from different candidates for this position which will be forwarded to the organizing board. He suggested that the initial agenda for the board include introductions of all board members and the selection of a chair/vice-chair, if the board is comfortable in doing so. He said that the three major efforts that the organizing board will have to do are begin the process of hiring an executive director, begin the process of initiating the fundraising feasibility study, and begin the process to select permanent board members.

Mayor Pro Tempore Sellers stated that organizing board will need to retain legal counsel.

Council Member Carr noted that the advisory board is not mentioned in the bylaws. He asked if the advisory board would be limited in any fashion? He asked if there would be an opportunity to forward other names to serve on the advisory council and for the organizing board to add individuals to the advisory council or was the Council limiting the group to those decided upon this evening?

Mayor Kennedy clarified that this is a list of individuals who have expressed a desire/interest to help. The Council would be giving the list to the organizing board for their use and that it would be up to them to decide how they would want to proceed with the advisory committee list.

Mayor Pro Tempore Sellers stated that in looking at more than 30 individuals, the Committee found that there were some individuals who had a particular expertise and could provide a particular benefit but did not have the time to commit to this effort. The Committee decided to forward the list of names of individuals with limited time to the organizing board. He pointed out that the subcommittee and the advisory committee are being referred to the organizing board for them to do what is deemed appropriate.

Council Member Carr agreed with the point that Council Member Tate was making that the category for entrepreneur of venture capitalist is missing from the organizing board. He hopes that the organizing board will keep this in mind in the hiring of the interim executive director and as they go through the process of selecting the individuals for the permanent board. He felt that this is an area of expertise that will be of great value to the permanent board as they will be the ones conducting the business portion of this venture.

Council Member Tate concurred with the recommendation to have Mayor Kennedy, Mayor Pro Tempore

Sellers, with Council Member Chang serving as the alternate, to the organizing board. He noted that he and Council Member Carr have taken a hands off approach and did not believe that they would have much impact in the process. He indicated that both he and Council Member Carr are behind them.

Mayor Kennedy said that it is his hope that once the organizing board is off on its own footing, the City Council will have a diminishing role. It will be important, in the long term, for the city to be aware of what is going on and to help where it can. Once the foundation is launched, it will be on its own. He did not believe that he would have a large role once the foundation gets going.

City Manager Tewes noted that when the City Council adopted a series of recommendations regarding the implementation of the Blue Ribbon Task Force, it indicated that one of the things that it would want to do is to ask the foundation to make periodic reports to the community on their progress. The City Council also indicated a willingness to commit not just \$250,000 initially for start up costs but \$250,000 to match donations. He felt that this could be done through an agreement. Staff could provide for the reporting relationship as a condition of the funds if this is a way to keep the Council informed of what is taking place. There would be a concern if three or more council members show up at foundation meetings and it turns out something different from what it was intended to be.

Mayor Kennedy recommended that should the Council be comfortable with the foundation board and forwarding the list that has been provided, that a motion be made to approve the members of the organizing board.

**Action:**        *On a motion by Council Member Carr and seconded by Council Member Tate, the City Council, on a 4-0 vote with Council Member Chang absent, approved the members to the organizing board.*

City Attorney Leichter stated that should the City Council approve the bylaws this evening, the City Council would be forwarding a recommendation of approval of the bylaws to the organizing board, noting that the organizing board would have to adopt the bylaws. The bylaws would establish the structure for the appointment of the officers, board members and the operation of meetings. She indicated that these bylaws are similar to the bylaws circulated with the Blue Ribbon Task Force report. She stated that there have been some changes made to the bylaws, including one minor change proposed this evening. She indicated that the change would be the deletion of the last phrase in Section 6.2 which formally stated that the Council shall also be entitled to, in its discretion, to appoint an alternate council member which included a phrase that stated that the alternate would be able to act in the absence of the Council Member. She indicated that this has been changed to allow the alternate to attend meetings and participate in some regard, noting that the council members appointed or alternate would be non voting members.

Council Member Carr referred to page 2, item 6.3 - number and qualifications for the permanent board. He noted that Section 6.2 addresses the organizing board and that within that section, the specific category areas were filled. He further noted that it did not contain a category for the permanent board. He inquired if this was a conscious effort to not have categories?

City Attorney Leichter responded that it was a conscious effort not to have categories for the permanent board. She indicated that the permanent board may comprise of individuals with different experience levels



and interests versus the organizing board. She noted that the organizing board would get the effort underway to secure funding and start these efforts. The permanent board would be an administrative, oversight and policy establishment board. She indicated that the only restriction of the permanent board is that a certain number have to reside within the sphere of influence of the City of Morgan Hill and that at least two would have to be employed in certain fields. In addition, the Mayor and an additional council member would be ex officio members of the permanent board.

Council Member Carr referred to page 3, 6.5 - designation of directors. He noted that it states that the City Council will be entitled to nominate two directors for each future board of directors. He inquired if this was in addition to the non voting council members?

City Attorney Leichter responded that the two directors would be in addition to the non voting council members. She clarified that nominating does not mean elect.

Council Member Carr inquired if the medical services committee gave any thought as to how the process of nominations would work for appointments each year or to each future board of directors?

Mayor Kennedy responded that the Committee has not discussed the nomination process that far out. He stated that the Committee would have to set up a process to do so.

Council Member Carr referred to Page 7, 7.6.1 - responsibilities of officers. This section addresses the responsibility of the chairman of the board as well as the president who shall preside at all meeting. He stated that he was puzzled by who the members were as he did not believe that this was a corporation that had members.

City Attorney Leichter responded that this may be a typo from an earlier draft as this is a non member, non profit corporation. This section should read "all meetings." She indicated that the separate categories of the chairman of a board and that of a president are not defined but can be the same role or be separate individuals. She noted that the bylaws state that the president shall be the general manager of the corporation and shall supervise, direct and control the corporation's activities, affairs and officers. This position would act similarly to that of a City Manager. The executive director, as president of the Board, would not have a vote on the board.

Council Member Carr referred to page 9 - required reports. As the City Council is investing dollars toward medical services, he felt that it made sense to require annual reports to the City Council.

Council Member Tate recommended that the board be increased to nine members versus a seven-member board because he sees a board where there will be executives that frequently travel. Therefore, you would not have seven members available at each meeting. As the City Council would like to see a diversity of representation, a larger number may be necessary.

Mayor Pro Tempore Sellers stated that the Committee left the number at seven. He strongly encouraged the organizing board to review the numbers and to expand the board numbers. He felt that in a fundraising role you need to have a large representation and diversity.

Mayor Kennedy recommended that the organizing board also schedule, as the first item of business, the review of the bylaws as they will have the ability to modify these initial starting bylaws as they deem appropriate.

Council Member Tate referred to Section 6.5 and stated that he did not support any term limits for the board.

City Attorney Leichter stated that term limits are a requirement under the California Non Profit Corporations Law.

**Action:** *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Chang absent, **agreed to forward** the bylaws to the organizing board for their adoption.*

## **20. LIBRARY COMMISSIONER APPOINTMENTS**

Recreation Manager Spier presented the staff report. She requested that the City Council appoint a subcommittee of two members to interview applicants to the Library Commission. She indicated that it would be recommended that the subcommittee to return to the City Council with recommended appointments.

Mayor Kennedy concurred that it may make sense to appoint a subcommittee to interview individuals to fill vacancies on some commissions rather than having City Council going through the full interview process.

Mayor Pro Tempore Sellers nominated Council Member Tate to serve on the subcommittee.

Council Member Carr volunteered to serve on the subcommittee to interview applications.

**Action:** *On a motion by Mayor Kennedy and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **Appointed** Council Members Carr and Tate to serve on a Subcommittee to Conduct Interviews.*

## **21. POTENTIAL JOINT RECREATIONAL USE OF SAN PEDRO GROUNDWATER RECHARGE PONDS**

Director of Public Works Ashcraft stated that he would respond to questions.

Council Member Tate noted that the staff report lists a fiscal impact of \$1 million. He felt that this was a cost figure that the Water District came up with in 1993 when they were looking at a two-phased project. If he felt that this was the number being faced, he would not have suggested that this issue be pursued. He felt that there may be a way, at a reduced cost, to make this a very passive recreational activity park. He indicated that the Water District wants to know if the City will accept complete liability. He felt that staff could work with the Water District's engineers to find out what is the minimal approach that can be pursued, including costs. He recommended that staff be authorized to determine the scope of the project and determine costs.

Mayor Kennedy asked if this issue should be referred to the Parks and Recreation Commission?

City Manager Tewes responded that a joint may be appropriate. He indicated that in the adoption of the Parks and Recreation Master Plan, the City Council indicated that there would be a follow up effort necessary for the Commission and the City Council to develop priorities for actual spending on parks over the next few years. Should the City Council adopt a motion this evening, this may be an item that should be included in the planning process. He felt that city staff, working with Water District staff and the Parks and Recreation Commission, would be the appropriate place to refer this item.

Council Member Carr stated that approval of Council Member Tate's recommendation this evening does not mean that this would be a priority for the City Council nor is it to be construed by the Water District or anyone else that the City is looking at a \$1 million project.

Mayor Pro Tempore Sellers recommended that it be clarified that no funding is implied.

**Action:** *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council, on a 4-0 vote with Council Member Chang absent, **directed** staff to scope the project, determine its feasibility, and refer it to the Parks and Recreation Commission for consideration under their planning process.*

## ***Redevelopment Agency Action***

### **CONSENT CALENDAR:**

**Action:** *On a motion by Agency Member Sellers and seconded by Agency Member Tate, the Agency Commission, on a 4-0 vote with Agency Member Chang absent, **Approved** Consent Calendar Item 22 as follows:*

#### **22. CONTRACT WITH RICHARD SAMPSON ASSOCIATES**

**Action:** ***Authorized** the Executive Director to Negotiate and Execute Contract with Richard Sampson Associates for Project Management Services for the Community Center and Community Playhouse Projects, in an Amount Not to Exceed \$48,600.*

### **OTHER BUSINESS:**

#### **23. COMMUNITY AND CULTURAL CENTER BUDGET ESTIMATE AND DESIGN**

Director of Community Development Bischoff presented the staff report. He indicated that George Williams, architect for the project, would walk the City Council through the two alternative designs for consideration. He indicated that neither of the two alternatives were able to reach a reduction in the cost by \$100,000.

Mr. Williams indicated that he is reaching the conclusion of the design phase of the community center and that one last major element needs to be resolved, that being the children's activity center. He addressed the two alternative designs.

Chairman Kennedy noted that the original thought was to have a building that is magical. He stated his support of going back to the original design as he considered it to be magical versus the two schemes presented. He felt that the original design would be lasting and would set the room apart from the rest of the community center.

Vice-chairman Carr concurred with Chairman Kennedy's recommendation. He stated that the Agency was told, at the beginning of the process, that this building would be the magical part of the entire community center. Now, the Agency is looking at this building to save costs, yet it is the part that the city is placing its children in. He indicated that he preferred the original design.

Agency Member Sellers inquired if there were additional cost savings with the original design in terms of energy efficiency?

Mr. Williams responded that the use of glass block is not as energy efficient as an insulated wall. He felt that there could be some energy cost differences, in terms of operating costs, with the original design over alternative design 2. He said that he would agree to look at a glass block that has some shading coefficient to it, noting that it is the translucent effect that is being sought. He said that he would look at the shading coefficient with the type of glass used throughout the center, noting that insulated glass with some shading coefficients would be beneficial to the center.

Agency Member Tate stated that one of the things that bothered him with the original design and scheme 2 was the use of vertical columns as they appear too busy. He stated his preference of the design of scheme 1. He asked if the columns could be added if the Council supports them?

Chairman Kennedy stated that he likes the original design based on its uniqueness as the others were more conventional in terms of design.

Director of Community Development Bischoff informed the City Council that it had established a budget estimate for this project at approximately \$12.17 million. Staff returned to the City Council at the end of January with a value engineering cost of \$12.7 million. The City Council had an option of either increase the estimated cost of the project to cover this amount, direct staff to further scale back the project, or to have bid additions that the Council could consider. Staff has suggested that the Council consider several bid additions which would include the rose garden, the band shell and amphitheater, the arcade, the children's activity center playground, the interactive fountain and the second fountain for the project. Staff stated that the City Council may want to direct the architect to prepare an alternative site plan which excludes these features. A site plan could also be prepared that contained these features. Once the project goes to bid, staff could ask for bids for the base of the project, excluding the features and request contractors to bid on the added features. Depending on how the bids come in, the City Council would have a number of choices to make.

Chairman Kennedy felt that all the features identified were significant parts of the project and that he would hate to take them out. He stated his preference in proceeding with the original scheme, including all features. He noted that the difference in cost was approximately \$100,000. He indicated that this will be a 25-50 year facility. He felt that a facility that is unique and magical would be important to the community. Therefore, he would recommend that the features be retained.

Agency Member Sellers asked if there would be any advantage, directly or indirectly, of bidding the project as a base project as well as bidding with all features? If the contractors bid out the features separately, would the bids come in at a lower price?

Mr. Bischoff responded that the architect did not believe that there would be a difference in the bids that would be received for the project.

Agency Member Sellers concurred that the entire project should be constructed, understanding that the City would still want to pursue corporate sponsorship on a number of the features.

Chairman Kennedy opened the floor to public comment. No comments were offered.

**Action:**        *On a motion by Agency Member Sellers and seconded by Vice-chairman Carr, the Agency Commission, on a 4-0 vote with Agency Member Chang absent, **directed** staff to proceed with the original design for the children's activity room.*

**Action:**        *On a motion by Agency Member Sellers and seconded by Vice-chairman Carr, the Agency Commission, on a 4-0 vote with Agency Member Chang absent, **approved** a budget estimate in the amount of \$12,881,100.*

Agency Member Sellers stated that he was discouraged and disturbed about comments in the newspaper that the City/Agency is proceeding with this project and its intent/scope, including the overall cost. He felt that the City/Agency has been very careful and deliberate in its proceedings to make it a first class facility and to make sure that every reasonable effort is undertaken to make sure that the cost is as low as possible.

Mr. Williams stated that 1.5 weeks ago, he submitted the Gavilan portion of the project to the State for permit and that the project is on schedule. He indicated that the schedule for the second portion of the construction documents includes the community center proper, children's activity center, band shell, arbor and the remaining site work are to be 95% percent complete by the end of April. At that time, he would go back for the final construction cost estimate. In May, the design team would pull together the cost estimate with discussions to be held in June with the City Council. It is the intent to go to the City for permit during the month of June with a permit in hand in early July, going to bid in mid July and receive bids in August. The current schedule calls for construction to start in September.

Chairman Kennedy asked if some of these steps can be done in parallel and speed up the schedule? Mr. Williams responded that there may be a possibility of speeding up the schedule. However, the schedule hinges on how fast the State goes through their review process for the Gavilan building. If the State can complete its review at an earlier date (end of May), the project could be bid sooner. It is the intent to bid the whole project as one. He would like to receive all plan check comments before receiving bids to make sure that any comments by the City or State are incorporated in the bid documents and that the bids are inclusive of any comments by either agency.

Mayor Kennedy wanted to make sure that the City is moving as quickly and as aggressively as it can as this is an important project to everyone.

## ***City Council & Redevelopment Agency Action***

### **CONSENT CALENDAR:**

#### **24. JOINT REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF FEBRUARY 28, 2001**

**Action:** *On a motion by Council/Agency Member Carr and seconded by Council/Agency Member Tate, the City Council/Agency Commission, on a 4-0 vote with Council/Agency Member Chang absent, **Approved** the minutes as written.*

#### **25. JOINT REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF MARCH 7, 2001**

**Action:** *On a motion by Council/Agency Member Carr and seconded by Council/Agency Member Sellers, the Agency Commission, on a 3-0-1 vote with Council/Agency Member Tate abstaining and Council/Agency Member Chang absent, **Approved** the minutes as written.*

#### **26. JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF MARCH 7, 2001**

**Action:** *On a motion by Council/Agency Member Carr and seconded by Council/Agency Member Sellers, the Agency Commission, on a 3-0-1 vote with Council/Agency Member Tate abstaining and Council/Agency Member Chang absent, **Approved** the minutes as written.*

#### **17. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ALLOCATION (FY2001-2002) - Resolution No. 5460**

Mayor Pro Tempore Sellers stated that he resides within 500 feet of the Central and Monterey street improvement project, noting that he did not step down from the approval of this project. He requested that the previous vote for this item be rescinded.

**Action:** *On a motion by Council Member Tate and seconded by Mayor Kennedy, the City Council, on a 4-0 vote with Council Member Chang absent, **agreed to reconsider** that portion of item 17 relating to the Monterey-Central Avenue street improvement project.*

**Action:** *On a motion by motion by Council Member Tate and seconded by Council Member Carr, the City Council, on a 3-0-1 vote with Mayor Pro Tempore Sellers abstaining and Council Member Chang Absent, **approved** the public works street improvement project at Central and Monterey per the staff report.*

### **OTHER BUSINESS:**

#### **27. REPORT ON HOUSING SYMPOSIUM**

Mayor Pro Tempore/Agency Member Sellers requested that staff display a four minute video on the housing symposium. He indicated that specific issues came out of the housing symposium. Among the issues to be reviewed and further discussed are: 1) learn how to create transit oriented development; 2) integrate business and housing; 3) make the best use of Measure P; 4) integrate the general plan task force recommendations; 5) look at downtown housing as a way to meet some of the required goals; 6) vary densities to maximize opportunities; and 7) look at how the RDA can best be utilized. He felt that the City has tremendous opportunities with all of these things coming together. He also felt that the City has significant responsibilities. He stated that the state is looking at several ways that it may mandate certain housing goals with significant penalties. He noted that the City Council will be reviewing the General Plan within the next two months, including a specific downtown plan. The downtown plan effort could be given specific emphases based on the housing symposium. He recommended that staff continue to monitor efforts, particularly VTA funding availability and housing trust funds.

Mayor/Chairman Kennedy complimented Mayor Pro Tempore/Agency Member Sellers for taking the lead in putting the housing symposium together as it was an excellent symposium and gave the city the opportunity to hear from experts in the field of housing. He felt that several good ideas came out of the symposium, particularly the downtown area relating to urban-transient oriented village and housing concepts for the downtown. He agreed that the City needs to move forward toward the next steps.

**Action:**        *No action was taken on this item.*

**Action:**        *On a motion by Council/Agency Member Tate and seconded by Council/Vice-chairman Carr, the City Council/Agency Commission, on a 4-0 vote with Council/Agency Member Chang absent, **agreed** to extend its 11:00 p.m. curfew to midnight.*

## **CLOSED SESSION:**

City Attorney/Agency Counsel Leichter announced the below listed closed session items. She noted that under closed session Item 1 conference with legal counsel/potential litigation was based on a threat of litigation from the Pacific Justice Institute and the Beckett Fund contained in correspondence.

### **1.**

#### **CONFERENCE WITH LEGAL COUNSEL (POTENTIAL LITIGATION) AND CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority:	Government Code 54956.8, 54956.9(b), & 54956.9(c) (1 potential case)
Real Property(ies) involved:	APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Road (St. Louise Hospital property)
City Negotiators:	City Council/Agency Members; City Manager/Executive Director; City Attorney/Agency Counsel; and Special Counsel
For Property Owner:	San Jose Christian College representatives
Closed Session Topic/Under Negotiations:	Potential Litigation & Price and Terms of Payment

### **2.**

#### **CONFERENCE WITH LEGAL COUNSEL (POTENTIAL LITIGATION) AND CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority:	Government Code 54956.8 and Government Code section 54956.9(c)
Property:	APN 817-13-001; 37.8 acres (soccer complex)
Negotiating Parties:	

For City: City Manager, City Attorney, Public Works Director  
For Property Owners: Tadashi & Alice A. Kadonaga, Trustee  
Closed Session Topic/Under Negotiation: Potential Litigation and Price and Terms of Payment

**3.**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8  
Real Property Involved: 3.85, 9.04, and 17.58 acre parcels located on the east side of Condit Road, bound by Condit Road, Tennant Avenue, Barrett Avenue and Murphy Avenue (APNs 817-13-008 & 011 and 017)  
  
Negotiating Parties:  
For City/Agency: City Manager/Executive Director; Interim City Attorney/Agency Counsel; Director of Business Assistance & Housing Services  
For Property Owners: T&C Development, LTD Partnership; Kathleen Sergi; Virginia Lomanto Trustee  
Under Negotiation: Price & Terms of Payment

**4.**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8  
Property: APN 779-04-010; 14465 Monterey Road; 29.2 acres  
Negotiating Parties:  
For City: City Manager; Public Works Director  
For Property Owners: William Sing and Young Kay Mock; The GFI Company  
Under Negotiation: Price and Terms of Payment

**5.**

**CONFERENCE WITH LEGAL COUNSEL (POTENTIAL LITIGATION) & CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 & 54946.9(c)  
Property: APN 825-06-002, 003, 029, 030; 36.6 acres (Railroad/Maple - Butterfield Retention Basin Site)  
  
Negotiating Parties:  
For City: City Manager; Public Works Director  
For Property Owners: Costa Family Partners  
Closed Session Topic/Under Negotiation: Potential Litigation & Price and Terms of Payment

**6.**

**CONFERENCE WITH LEGAL COUNSEL (POTENTIAL LITIGATION) & CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 and 54956.9(c)  
Real Property Involved: A 8.49 acre parcel located on West Edmundson Avenue, east of Community Park (APN 767-18-025)  
  
City/Agency Negotiators: City Manager/Executive Director; City Attorney/Agency Counsel; Director of Business Assistance & Housing Services  
For Property Owners: Gunderson Family Trust  
Closed Session Topic/Under Negotiation: Potential Litigation & Price and Terms of Payment

**7.**

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Legal Authority: Government Code 54956.8  
Real Property Involved: An 8.25 acre parcel located on Diana Avenue, west of the Future Butterfield Boulevard extension (APN 726-12-006)  
  
Negotiators:



For City/Agency:	City Manager/Executive Director; City Attorney/Agency Counsel; Director of Business Assistance & Housing Services
For Property Owners:	Kontrabecki Associates ( or appropriate owner)
Under Negotiation:	Price and Terms of Payment

**OPPORTUNITY FOR PUBLIC COMMENT**

Mayor/Chairman Kennedy opened the closed session items to public comment. No comments were offered.

**ADJOURN TO CLOSED SESSION:**

Mayor/Chairman Kennedy adjourned the meeting to closed session at 11:10 p.m.

**RECONVENE:**

Mayor Kennedy reconvened the meeting at 12:25 a.m.

**CLOSED SESSION ANNOUNCEMENT:**

City Attorney/Agency Council Leichter announced that no reportable action was taken on the above listed closed session items.

**ADJOURNMENT**

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 12:26 a.m.

**MINUTES RECORDED AND PREPARED BY:**

---

**Irma Torrez, City Clerk/Agency Secretary**